

For: State and County Offices

**Clarifying Procedure for Using Crop Appraisals When Determining
Maximum Eligible Quantity on Commodities Harvested as Other Than Grain for LDP's**

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

Notice LP-1743 was issued on June 19, 2000, and provided procedure for handling yield determinations for commodities harvested as other than grain when a crop appraisal has been completed on:

- different units on a farm
- production not included from the appraised acreage.

Section 121 of the Agricultural Risk Protection Act of 2000 (ARPA) amends Section 515 of the Federal Crop Insurance Act which provides that FCIC and FSA shall reconcile program payments.

Based on the reconciliation provision in ARPA, it has been determined that maximum eligible quantity determinations for commodities harvested as other than grain must be determined using the crop appraisal on file at the time of the LDP request.

If the appraised yield is zero, the yield used to determine maximum eligible quantity is also zero.

Note: The intent of allowing commodities harvested as other than grain to receive LDP's is that the yield for the crop is the potential GRAIN yield. If an appraisal shows that there is a small amount or zero grain in that crop, that is all the production the producer is eligible to receive LDP on.

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Disposal Date	Distribution
October 1, 2001	State Offices; State Offices relay to County Offices

1 Overview (Continued)

B

Purpose

This notice clarifies existing policy when determining maximum eligible quantity for commodities harvested as other than grain.

2 Commodities Harvested as Other Than Grain Clarification

A

Using Crop Appraisals

The intent of using a crop appraised yield is to have the same yield established for LDP's and crop disaster related programs. Producers are eligible to receive marketing assistance loans and LDP's for commodities harvested as other than grain **only** if the commodity harvested as other than whole grain **could have been** harvested as whole grain. Therefore, marketing assistance loans and LDP's are not given on silage, haylage, etc., as such, but as whole grain represented in that crop.

If a producer has applied for crop insurance indemnity or NAP on the acreage related to the disaster, the crop appraisal on file **must** be used when determining the maximum eligible quantity for commodities harvested as other than grain for loan or LDP's.

B

Exception

COC's may determine maximum eligible quantity determinations according to 8-LP, paragraph 536 by using other methods when a crop appraisal is on file **only** if **either** of the following applies:

- the appraisal has been completed on units that differ from the FSA farm that the marketing assistance loan or LDP has been requested
 - one appraisal has been completed on multiple farms and the documentation does not differentiate between farms.
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Notice LP-1752

2 Commodities Harvested as Other Than Grain Clarification (Continued)

B

Exception (Continued)

The producer must provide documentation to support that the LDP production is not from the appraised crop acreage.

Note: If the crop appraisal is zero and this subparagraph does not apply, then the producer is not eligible for loan or LDP, regardless of whether the crop was harvested as other than grain on the appraised acreage. If the crop was later harvested as grain, the producer must reconcile the crop insurance claim or NAP application, as applicable.

C

Effective Date

This notice is effective upon receipt in the County Office and is not retroactive.

No further action is necessary if maximum eligible quantity was determined for insured commodities according to Notice LP-1743, subparagraph 1 C.
